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RUEHKT/AMEMBASSY KATHMANDU PRIORITY 5435  
RUEHLO/AMEMBASSY LONDON PRIORITY 3958  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1255  
RUEHNY/AMEMBASSY OSLO PRIORITY 4026  
RUEHKO/AMEMBASSY TOKYO PRIORITY 3112  
RUEHCG/AMCONSUL CHENNAI PRIORITY 7914  
RUEHBI/AMCONSUL MUMBAI PRIORITY 5563  
RUEHON/AMCONSUL TORONTO PRIORITY 0354  
RUEHGV/USMISSION GENEVA PRIORITY 2250  
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY  
RHEFDIA/DIA WASHINGTON DC PRIORITY  
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY  
RUEHBS/USEU BRUSSELS PRIORITY  
RUEHLMC/MILLENNIUM CHALLENGE CORPORATION PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 COLOMBO 001103

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DEPARTMENT FOR SCA/INS  
MCC FOR D NASSIRY AND E BURKE

E.O. 12958: DECL: 08/08/2017  
TAGS: [PGOV](#) [PREL](#) [PTER](#) [PHUM](#) [MOPS](#) [CE](#)  
SUBJECT: SRI LANKA: PRESIDENT APPEARS READY TO ACCEPT  
PROVINCIAL-LEVEL DEVOLUTION

REF: A) COLOMBO 1029 B) COLOMBO 973 C) COLOMBO 789 D)  
COLOMBO 747 E) COLOMBO 705 F) COLOMBO 661  
G) COLOMBO 643 H) COLOMBO 629 (AND PREVIOUS)

Classified By: Charge d'Affaires James R. Moore,  
for reasons 1.4(b,d).

¶1. (C) SUMMARY: The chair of the committee to work out a consensus devolution proposal reported that the President and all parties represented in the current government had agreed to support a compromise. This foresees the province, rather than the district, as the unit of devolution. This concession by the President appears to open the way for the long-sought "Southern consensus" offer to Sri Lanka's Tamils to resolve the ethnic conflict. The attitude of the main opposition party, the UNP, will be critical to ensuring that the process moves forward. It is unlikely that the Liberation Tigers of Tamil Eelam will immediately agree to resume talks on the basis of any Southern proposal, but this development nevertheless holds the potential to change the dynamic of the conflict for the better. End summary.

PRESIDENT AGREES TO BACK PROVINCE-LEVEL DEVOLUTION  
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¶2. (C) APRC chair Tissa Vitharana told Charge and A/DCM on August 8 that the President and the parties represented in the government had now accepted a devolution draft very similar to the one he first put forward some months ago. At an August 7 meeting at the President's residence and office, the parties allied to the President's Sri Lankan Freedom Party (SLFP) in the People's Alliance, then joined by other parties represented in the government (mainly smaller Tamil and Muslim parties), discussed the remaining contentious issues ) the nature of the state, the unit of devolution, and responsibility for land use. The only government party not to take part was the nationalist, monk-based JHU, Vitharana said.

13. (C) After much back-and-forth, the President agreed to accept the province as the unit of devolution for the entire country, not just the northeast. However, Vitharana reported the President had been adamant on the "unitary" nature of the Sri Lankan state. According to Vitharana, the government parties also accepted a compromise which gives the central government authority over land dedicated to national uses, but cedes control to the provinces for "residual" land uses. Finally, Vitharana said that he had been able to resolve an impasse over government hiring. The SLFP wanted a purely merit-based system, while minority Tamils and Muslims wanted an ethnic balance in the civil service and university positions. Vitharana suggested that all appointments be merit-based, but that the government should actively seek to maintain a rough ethnic balance in hiring.

#### THE WAY FORWARD

14. (C) Vitharana said he will spend the next week incorporating the latest changes into his draft, then will present the plan to the parliamentary All Parties' Conference, which is chaired by President Rajapaksa, wearing one of his many hats. Vitharana anticipated the APRC draft would be presented to the APC "a few days" later than the August 15 date the APRC has set for itself. If the APC accepts the draft, it can immediately form the basis for an offer to conduct a new round of negotiations with the LTTE, Vitharana thought. In his view, a referendum would not be needed, unless to bless the final product of negotiations with the LTTE. Vitharana said he hoped the Co-Chairs would endorse the proposal and seek to use it to bring the government and the LTTE back to the table. He said he was

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skeptical that the LTTE would agree to engage, however.

#### WILL UNP ENGAGE CONSTRUCTIVELY?

15. (C) Vitharana also expressed doubt about the future position of the UNP in the consensus building process. He observed that the UNP was playing an unconstructive, confrontational role in national politics at the moment. The UNP's reluctance to allow its APRC representative, K. Choksy, to participate fully in APRC discussions had made his job more difficult, he said. With UNP help, he believed he might have been able to wring the final concession ) on the "unitary state" ) out of the President. However, he thought the final proposal would serve to play the ball back to the UNP: "The government can say, 'Here's our offer. With your support, we can implement all of it. If you won't support it, we will implement what we can without you.'" Vitharana thought that since the "unitary state" and provincial devolution were already enshrined in the Sri Lankan Constitution, only a few parts of his proposal would require amending the present Constitution, which would require a 2/3 majority, and therefore UNP support. Essentially, this boiled down to eliminating the "concurrent list" of powers shared by the center and the provinces, he said.

16. (C) COMMENT: Vitharana implied that the insistence on the "unitary" characterization of the nature of the Sri Lankan state is probably the bare minimum the President needs for political cover in the absence of greater UNP participation and responsibility. Vitharana could not confirm that the SLFP central committee would convene to endorse the proposal, but observed that it didn't matter much. All the key SLFP decision-makers, he said, were present at the meetings with the President on August 7. In our view, by obtaining the endorsement of all the parties in the government (except for the JHU), including that of the several minority parties represented, the President has effectively met the UNP's demand that the government present its own proposal. The UNP leadership, including Ranil Wickremesinghe, has promised, albeit reluctantly, to support the devolution proposal that

emerges from the APRC provided it is "reasonable." While we have not yet seen the final proposal (indeed, it has yet to emerge from Vitharana's pen), we will endeavor to hold the UNP to this commitment by urging it to set aside partisan considerations in the interest of moving forward on the political track to resolve Sri Lanka's ethnic conflict. Few in Colombo, however, believe that the LTTE will immediately agree to re-engage based on any GSL devolution proposal. Still, uniting the moderate Sinhalese, Tamil and Muslim parties behind a devolution concept, if this is successful, will go a long way to redefining the dynamic behind the conflict.

MOORE